VZCZCXRO4623 RR RUEHDT RUEHPB RUEHTRO DE RUEHKO #1995/01 2430251 ZNY SSSSS ZZH R 310251Z AUG 09 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC 5850 INFO RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE RUEHGG/UN SECURITY COUNCIL RUEHFK/AMCONSUL FUKUOKA 6193 RUEHNH/AMCONSUL NAHA 8528 RUEHOK/AMCONSUL OSAKA KOBE 0006 RUEHKSO/AMCONSUL SAPPORO 6709 RUEAIIA/CIA WASHDC RUEKJCS/CJCS WASHINGTON DC RUEKJCS/SECDEF WASHDC RHMFISS/USFJ RHHMUNA/HQ USPACOM HONOLULU HI RHEFDIA/DIA WASHINGTON DC RHEHAAA/NSC WASHDC RUEATRS/TREASURY DEPT WASHDC

S E C R E T SECTION 01 OF 02 TOKYO 001995

SIPDIS

EAP/S/NKP-GOLDBERG
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TAGS: PREL JA KN PARM PREL KNSD UNSC

SUBJECT: AMBASSADOR GOLDBERG'S INTER-AGENCY MEETING WITH
JAPANESE OFFICIALS ON UNSCR 1874

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Classified By: Deputy Chief of Mission James P. Zumwalt, reasons 1.4 (b and d)

- 11. (S) SUMMARY: On August 25, GOJ officials led by MOFA Asia DG Akitaka Saiki and Ambassador Philip Goldberg discussed UNSCR 1874 implementation and issues related to the DPRK's nuclear and missile programs. JapaQe officials said they are happy with the current level of coordination between the U.S. and Japan, and emphasized the need for continued close trilateral coordination among the U.S., Japan and the ROK. MOFA officials characterized recent DPRK initiatives to the U.S. and the ROK as mere "smile diplomacy" designed to show the world that Kim Jong-il is firmly in power. Japan's position remains unchanged -- that the DPRK should "feel the pain" of its past provocative actions. The U.S. and Japan should not rush to Pyongyang in the wake of recent DPRK overtures, but should ascertain through verifiable measures whether or not the DPRK is "sincere." MOFA officials are concerned that a resumption of suspended tourism programs to the DPRK would give it financial "breathing room." They shared with Ambassador Goldberg a list of measures taken by the GOJ against North Korea. END SUMMARY
- 12. (C) UNSCR 1874 Implementation Coordinator Ambassador Philip Goldberg met August 25 for UNSCR 1874 implementation discussions with MOFA Asia Bureau Director General Akitaka Saiki, who was accompanied by Northeast Asia Division Director Junji Shimada, Non-Proliferation, Science and Nuclear Energy Division Director Tsutomu Koizumi, Senior Foreign Policy Coordinator Masashi Nakagome, National Security Policy Division Acting Director Seiichiro Taguchi, North America Division Principal Deputy Director Yukio Saita, Cabinet Secretariat Counselor Kanji Yamaouchi, Ministry of Finance Research Division Director Tsuyoshi Kurihara and a representative from the FSA. Ambassador Goldberg was accompanied by NSC Director for Nonproliferation Charles Lutes, Treasury Department Assistant Director for Sanctions and Targeted Measures Jennifer Fowler, Defense Department Senior Assistant for Transnational Threats Donald Leathem,

Executive Officer to the North Korean Mission Manager, Office of the Director for National Intelligence Mauricio de la Cruz, Embassy Political Section Acting Chief Marc Knapper and Embassy notetaker.

MOFA's View: DPRK "Smile Diplomacy"

13. (S) Saiki said that the GOJ is "very comfortable" with the level of consultation between the U.S. and Japan on DPRK issues. Noting that the DPRK has reached out to the U.S. and the ROK, but not to Japan, Saiki characterized recent DPRK actions such as releasing the two U.S. journalists and sending a delegation to attend the funeral of former South Korean President Kim Dae Jung as "smile diplomacy." officials shared with Ambassador Goldberg a list of independent measures (notal: emailed septel), as well as measures related to UNSCRs 1695, 1718 and 1874, taken by the GOJ against North Korea. Saiki said that Japan's position remains unchanged -- measures put in place by UNSCR 1874 should be reinforced and the U.S. and Japan should make the DPRK "feel the pain" of its provocative actions. The DPRK needs to know that its provocative actions are not withoQost, he said, adding that close trilateral cooperation among the U.S., Japan and the ROK is very important as it will send a strong message to the DPRK. Saiki said that the GOJ's view is that the DPRK's peace initiative is nothing new, and is merely an attempt to show the world that Kim Jong-il is in control. The GOJ knows the DPRK's intentions and will not be easily manipulated, he said. Japan and the U.S. need to monitor the DPRK very carefully and ascertain whether or not the DPRK is sincere, not "rush to Pyongyang." The GOJ has

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had no meaningful bilateral contact with the DPRK since August 2008, but would welcome a bilateral dialogue between the DPRK and the U.S. within the framework of the Six Party Talks, he said.

Ramifications of Resumption of Tourism at Kaesong and Mt.Kumgang

14. (S) Saiki said that although he has not yet coordinated

the official GOJ response to the possible resumption of suspended tourism programs to Kaesong and Mt. Kumgang, he is worried that the DPRK will divert foreign currency earnings to prohibited activities, giving the regime financial "breathing space." Ambassador Goldberg shared Saiki's concerns and noted the possible corrosive effect on UNSCR 1874, but said an initial assessment indicates that tourism activities are not sanctionable under UNSCR 1874 as they are not tied directly to prohibited programs. In this, certain countries' continuing to allow remittances to North Korea was also not sanctionable, although those monies might be fungible as well, said Ambassador Goldberg. (Note: Saiki was visibly uncomfortable with the idea of a "green light" for North-South tourism and industrial projects, and had no reply to the remittances comment. He said he will not comment publicly on the North-South projects for the time being because he "feels the U.S. and Japan should not reveal any difference in viewpoint." Ambassador Goldberg made clear

Cargo Inspections and Import/Export

End Note.)

15. (S) Japan has fully implemented UNSCR 1874 import/export provisions, Saiki said. Regarding cargo inspection, Saiki said that the 1718 Committee needs to define more clearly the list of luxury goods subject to inspection. In the meantime,

that no green light existed, simply an understanding that the activities being discussed likely fall outside UNSCR 1874.

Japan will use it's own list of luxury goods, which Saiki presented to Ambassador Goldberg. Saiki also said that the 1718 Committee needs to address dual use goods, and that the provision allowing the export of small arms to the DPRK should be changed. The export of all arms to the DPRK should be banned, he said. Ambassador Goldberg noted his understanding that countries will proceed with their "national lists" of luxury goods until the UNSC 1718 Committee codifies a master list.

China, EU, Switzerland and the Middle East

16. (S) Saiki said that Japan expects China to play a more influential role with the DPRK, but since China is not transparent with its actions, Japan questions whether or not China is doing enough. Ambassador Goldberg said that China has given very high level rhetorical support to UNSCR 1874 and there are indications that China is being more vigilant on illicit financial transactions. Saiki also asked about efforts to enforce UNSCR 1874 in the Middle East, EU and Switzerland. Ambassador Goldberg noted that there are no real problems with enforcement in the EU, and that Swiss banking authorities should be well aware of the risks of maintaining DPRK accounts. Ambassador Goldberg said that he will follow up on that point with the Swiss Ambassador upon his return to Washington.

 $\underline{\mathbb{1}}$ 7. Ambassador Goldberg has cleared this cable. ROOS